Canadian Government Annuities

COMFORT AND HAPPINESS IN OLD AGE

THE PROBLEM SOLVED

EVERY ONE ELIGIBLE

" Use thy youth so that thou mayest have comfort to remember it when it hath forsaken thee, and not sigh and grieve at the account thereof. Use it as the springtime which soon departeth, and wherein thou oughtest to plant and sow all provision for a long and happy life."—Sir Walter Raleigh.

The Right Honourable
SIR RICHARD CARTWRIGHT, P.C., G.C.M.G.,
Minister of Trade and Commerce,
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CANADIAN GOVERNMENT ANNUITIES

COMFORT AND HAPPINESS IN OLD AGE.

THE PROBLEM SOLVED.

To the People of the Dominion of Canada:

Your attention is directed to the Government Annuities Act (1908), under which provision may be made by or for every man, woman or child against want and poverty, and for that happiness which comes with the removal of the dread of destitution in old age.

All that it will be necessary for you to do to provide for such an emergency will be to deposit from time to time in the nearest Post Office Savings Bank or Money Order Office, or, if you prefer, to remit direct to the Department at Ottawa, as may hereafter be arranged, any amounts that you may set aside for that purpose, which amounts will be placed to your credit with compound interest thereon at four per cent per annum, and will be paid to you in the form of an annuity at a date thereafter to be fixed.

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The Government will assist you—it will look after your instalments—it has advantages for investment which a private individual cannot enjoy—it will act as your banker—it will do all this for you absolutely free of charge, and you need have no fear that your savings will be lost by dishonest or extravagant management. No better guarantee should be required that the proposition is worthy of your fullest confidence than the knowledge that the Bill was conceived and carefully thought out by the Right Honourable Sir Richard Cartwright, one of the foremost financiers of the day, and was passed in the Senate and House of Commons without a dissenting voice. It would not be a compliment, therefore, to the intelligence of any Canadian to say that more convincing arguments were needed to satisfy him that an exceptional opportunity has been afforded him to make provision for his old age.

Many men have been ruined, or have seen their hard-earned savings disappear by improvident investment or by rushing into unwise speculations. They have perhaps yielded to the glowing allurements of some scheme by which they were induced to believe that they could double their money in a few months, but in 999 cases out of 1,000 the experience of those who have tried the "short cut" to wealth has been that their con-

fidence was misplaced. Others have wasted their money in many ways, and have repented when too late. You will be saved from such disaster and humiliation if you invest your savings with the Government for the purchase of an annuity.

But the Government has done more than merely to place the facilities within your reach for making this provision.

It has provided by statute that you cannot be deprived of your annuity in any manner, by any person, or by any process of law; and you are protected against possible pressure and the many temptations to withdraw you contributions, in order that the intent of the Act, which is solely to enable you to provide for a comfortable old age, may not be defeated;

That the annuity cannot be seized for debt of any kind; and

That it cannot be forfeited.

It îs unalienable.

You may spend it foolishly and in an improvident way if you like, but it will not depart from you—it will come to you every three months so long as you live.

You may provide for an annuity of $50 or $600 a year, but no less and no more.

You may contract for an annuity at age 5 and any subsequent age, but, except for invalidity or disablement, no annuity shall be payable before the age of 55; and no matter how little you may pay, or how much, your benefits will be relatively the same.

You may pay in only 25 cents a week if you are unable to make a larger contribution; or you may pay in ten, fifteen or twenty dollars at a time.

You may pay monthly, quarterly, half-yearly or yearly premiums if you prefer that plan, the total cost being the same whichever plan you adopt.

You may start with a lump sum, and continue by periodical payments; and you may deposit lump sums at any time, which will give a corresponding increase to your annuity.

You may start with a lump sum, and complete the contract by periodical payments; that is to say, a man of 40 (or other age) may by a single payment pay arrears of premiums between the ages of 20 and 40, and complete the contract as if he had entered at age 20.

You may provide by single payments for annuities for yourself, your wife, and your children, the annuities to begin at some subsequent age.

You may provide for a joint annuity for yourself and wife, to be enjoyed so long as either of you live.

You may complete your payments at a certain age, and allow these to further accumulate, and take an increased annuity at a subsequent age.

You may purchase an 'immediate' annuity, and receive the first instalment thereof three months after purchase.

Your annuity may when it becomes payable be guaranteed for a number of years, even should you die before the guaranteed period expires, but in any event it will be paid so long as you live.

You may if you have money at your credit in a Post Office Savings Bank have the same transferred to your account for the purchase of a deferred annuity, and compound interest thereon will thereafter be allowed at 4 per cent per annum instead of at 3 per cent as at present.

You will receive once a year a statement of the amount standing to your credit.

There are no lapses.

If your contributions are interrupted by sickness, loss of employment, or other cause, you may resume payment at any time.

If your payments should not be continued to the end of the contract, such proportion of the

original annuity as these payments will purchase will be paid to you.

If your payments with accumulated interest should not in the aggregate be sufficient to earn an annuity of $50 all payments made with compound interest at three per cent per annum will be returned to you or to your heirs.

If you should die at any time before the annuity becomes payable, all payments made with compound interest at three per cent per annum will be returned to your heirs.

You may purchase a larger annuity for same payments if return benefits are not desired, a plan which will no doubt appeal strongly to you if you are carrying fraternal or straight life insurance, as should death occur before the annuity begins the insurance would go to your family; and after the annuity began the increased annuity would enable you to keep your insurance in force, which otherwise you might be compelled to cancel. This plan will also appeal to a person who has no heirs, or who may desire to secure the maximum amount of annuity at the minimum cost.

No deductions will be made from amounts received, but all expenses will be borne by the Government wholly without charge, and every cent that your deposits earn will be placed to your credit for the purchase of the annuity.

Employers of labour may contract for annuities for their employees.

A society, or an association of persons, being a body corporate for fraternal, benevolent, religious or other lawful purposes, may contract for annuities for its members.

Annuities will be paid quarterly, unless otherwise expressly provided.

All forms of contract are approved by the Governor General in Council.

No medical examination is required.

Pass-books for the convenience of depositors of small amounts, as on the weekly plan, will be supplied by the Postmaster.

Purchasers of annuities not using the pass-books may remit direct to the Minister or to the Superintendent by registered letter, or by Money Order, Express Order or Postal Note, made payable to the order of the Receiver General, or payments may be made in person at the Department.

SECURITY ABSOLUTE.

There has always been difficulty in the case of a large number of people in finding opportunities for investment with undoubted security; but more applicable is this observation to wage-earners and men on limited salary, the surplus at whose com-

mand after the daily calls upon their incomes have been met may be but a few dollars a month.

Perhaps this has been your difficulty, or perhaps the reason you have not in the past succeeded in saving money is that you have had no definite plan of action. The Government's annuity proposition supplies this need, and should especially appeal to you, as it should to every man or woman whose future income is not assured, and who has reason to fear a penniless old age. It is the only investment from which you can receive the full benefit of you accumulations of both principal and interest in equal quarterly instalments so long as you live.

Will you avail yourself of it? If so, sit down to-day and carefully estimate your living expenses, decide how much you can contribute each week; set it aside in the same way that you set aside a sum for your winter's coal—you are providing fuel for the winter of life. Your earnings will some day cease, but you must have food and clothing so long as you live.

ILLUSTRATIONS.

The following illustrations will demonstrate to you the vastly greater advantages of an annuity contract over any other kind of investment as a means of making provision for old age.

A man beginning at 20 years of age, and paying 25 cents a week until he is 60, may provide an annuity (or income) for the remainder of his life of $129.91.

A man beginning at 25, and paying 25 cents a week until he is 60, will receive $99.34 at 60.

A man beginning at 30, and paying 25 cents a week until he is 60, will receive $74.73 at 60.

A man beginning at 35, and paying 25 cents a week until he is 60, will receive $54.90 at 60.

A man beginning at 20 with a cash payment of $10, paying 25 cents a week, and adding $10 every 5 years until he is 60 will receive an annuity of $151.96 at age 60.

WHAT BETTER LEGACY COULD HE LEAVE THEM?

If a man has a few hundred dollars for which he has no need, he could not make a more provident disposition of this money than to buy an annuity for each of his children. For a boy of 15 a payment of $500 will secure him at 55, and for the remainder of his life, an annuity of $220.60; or at 60 of $323.50. And the same amount at the same age would secure a girl (whose expectation of life is greater) an annuity at 55 of $202.95; or at 60 of $289.05.

The annuities will be paid in equal quarterly instalments, the first payment to be made when the age specified is attained; and should the Annuitant die before the first instalment of annuity becomes due, payments received will be returned with 3 per cent compound interest added.

PRESENT AGE 20—ANNUITY AT 60.

In case of death before 60, all payments made with 3 per cent compound interest will be returned to the heirs.

$100 is the income from $2,000 invested at 5 p.c.	
$100 annuity will cost 3 cts a day, $10.01 a year, a total of..	$ 400 40
$200 is the income from $4,000 invested at 5 p.c.	
$200 annuity will cost 5½ cts a day, $20.02 a year, or a total of..	800 80
$300 is the income from $6,000 invested at 5 p.c.	
$300 annuity will cost 8¼ cts a day, $30.03 a year, a total of....	1,201 20
$400 is the income from $8,000, invested at 5 p.c.	
$400 annuity will cost 11 cts a day, $40.04 a year, a total of..	1,601 60
$500 is the income from $10,000 invested at 5 p.c.	
$500 annuity will cost 13⅔ cts. a day, $50.05 a year, a total of..	2,002 00
$600 is the income from $12,000 invested at 5 p.c.	
$600 annuity will cost 16½ cts a day, $60.06 a year, a total of..	2,402 40

The principal to be invested at 5 p.c. will first have to be obtained, while the annuity may be paid for in weekly, monthly, quarterly, half-yearly or yearly instalments spread over the whole period, and requires about one-fifth the amount of capital to be invested.

How many men at 60 do you know who have $2,000, $4,000, $6,000, $8,000, $10,000 or $12,000 invested at 5 per cent?

How many men at 20 do you know who could not save 3, $5\frac{1}{2}$, $8\frac{1}{4}$, 11, $13\frac{2}{3}$, or $16\frac{1}{2}$ cents a day if he were determined to do so?

LOOK AT IT IN ANOTHER WAY.

$400.40 gives you an annuity of..	$ 100 00
$400.00 invested at 5 p.c. gives an income of.. ..	20 00
$800.80 gives you an annuity of....	200 00
$800.00 invested at 5 p.c. gives an income of	40 00
$1,201.20 gives you an annuity of..	300 00
$1,200.00 invested at 5 p.c. gives an income of	60 00
$1,601.60 gives you an annuity of..	400 00
$1,600.00 invested at 5 p.c. gives an income of....	80 00
$2,002.00 gives you an annuity of..	500 00
$2,000.00 invested at 5 p.c. gives an income of.. ..	100 00
$2,402.40 gives you an annuity of..	600 00
$2,400.00 invested at 5 p.c. gives an income of	120 00

WHY SHOULD I PROVIDE FOR A GOVERNMENT ANNUITY?

Because it is the sacred duty of every man and woman to make adequate provision for his or her old age.

Because you would be investing your earnings where they would be absolutely secure.

Because investments which promise profitable returns frequently end in loss.

Because it is the best collateral a man on salary can have, as nothing can deprive him of it.

Because you do not have to die to win, but you enjoy a personal participation in the fruits of your labours.

Because it gives you the opportunity of securing yourself against the consequences of unforeseen reverses.

Because you have only to live to realize many times greater profits than can be secured in any other safe investment.

Because it induces thrift, checks improvidence, promotes temperance, and conduces to the happiness of yourself and family.

Because you have an absolute guarantee that you will, no matter how long you live, reap the benefit of the provision you have made.

Because however good our intentions may be to lay aside something for the ' rainy day ', experience proves that we will not do so unless the obligation is created.

Because you will only require to set aside a small sum regularly—which possibly you now unwisely spend—to enable you to provide for yourself a competency in the sunset of your life.

Because it closes the door of the poor-house, removes the possibility of your becoming a charge upon the public, or upon friends or relatives, and gives you in your old age comfort and independence, and freedom from care and worry.

Because it is preferable to a deposit in a Savings Bank, not only on account of the constantly recurring temptation to withdraw from the bank, but it gives a contingent right in the common fund which a deposit in the Savings Bank does not do beyond its own interest earning power, and you will receive four per cent compound interest instead of three per cent.

Examples showing cost to males or females of Deferred Annuities by weekly, monthly, quarterly, half-yearly, or yearly instalments, or by a single payment, or of Immediate Annuities, will be furnished by the undersigned on receipt of card (obtainable from the Postmaster) giving particulars as to present age, the age at which annuity is desired to begin, and the amount of annuity required.

S. T. BASTEDO,
Superintendent Canadian Government Annuities,
Department of Trade and Commerce,
Ottawa.

N.B.—Ask Postmaster for Booklet.